

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 1911 - HB 1470

March 13, 2009

SUMMARY OF BILL: Exempts any person who operates a truck, rig, or other motor vehicle for the primary purpose of drilling wells from being required to obtain a commercial driver's license.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – \$10,300

Other Fiscal Impact – A potential loss of federal highway funds due to non-compliance with certain federal requirements. The potential decrease is estimated to be \$19,698,800 for first year of non-compliance, and \$39,397,200 for second and subsequent years of non-compliance.

Assumptions:

- According to the Department of Safety (DOS), there are 240 companies licensed as well drillers.
- DOS projects an average of ten commercial drivers for each company.
- The total number of commercial drivers is estimated to be 2,400 (240 x 10 = 2,400).
- The cost for a Class B commercial license is \$41 for five years.
- The cost for a Class D license is \$19.50 for five years.
- The cost difference is \$21.50 per license (\$41.00 - \$19.50 = \$21.50)
- One-fifth of all drivers will renew each year.
- The decrease to state revenue is estimated to be \$10,300 per year [(2,400 x \$21.50) / 5 = \$10,320].
- According to DOS, this bill could place the state out of compliance with federal requirements (49 CFR 383). For any first-year of non-compliance, a penalty of five percent of federal highway funds could be withheld; in second and subsequent years, 10 percent of federal highway funds could be withheld.

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- According to the Department of Transportation, a five percent penalty is equivalent to approximately \$19,698,600; a 10 percent penalty is equivalent to approximately \$39,397,200.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large initial "J" and a distinct "W".

James W. White, Executive Director

/rnc